

CALIFORNIA ENERGY COMMISSION

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Sacramento, California 95814

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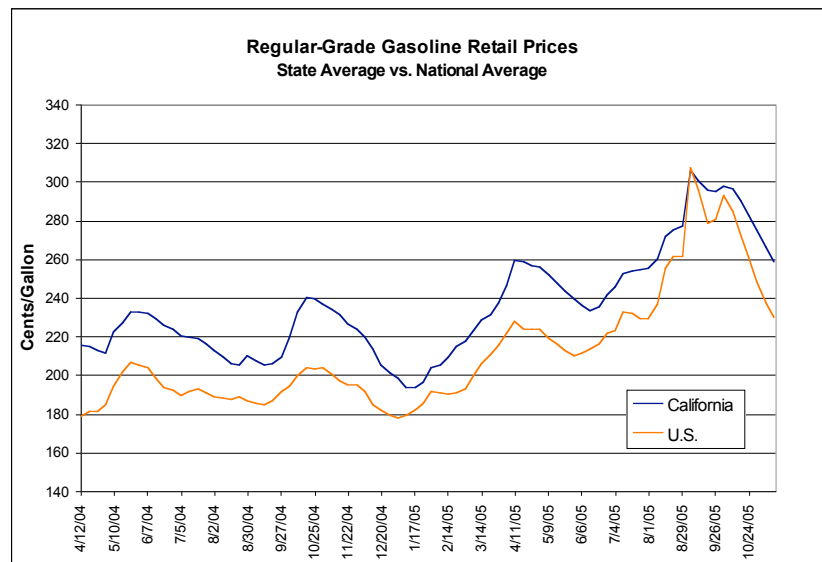
Main website: www.energy.ca.gov

Children's website: www.energyquest.ca.gov

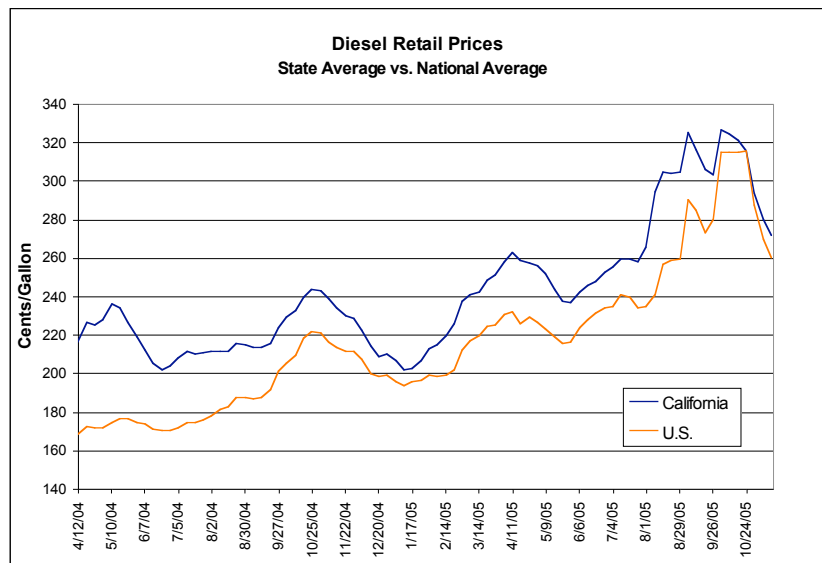
Consumer Information: www.ConsumerEnergyCenter.org

**Petroleum Watch****November 21, 2005*****Retail Gasoline and Diesel Prices***

- The average statewide retail price for regular gasoline dropped another 8 cents per gallon, the sixth straight week of declines, falling to \$2.58 per gallon as of November 14. This is almost 48 cents less than the September 5 high of \$3.06. The difference between U.S. and California retail prices changed very little, rising to 28.6 cents from 28.3 cents last week, but remains higher than the year-to-date average of 21 cents.¹



- Average California retail diesel prices also dropped again, falling another 8 cents from the previous week to about \$2.72 per gallon as of November 14. The difference between average California and U.S. retail diesel prices increased from last week, reaching 11.5 cents per gallon, but is only about half the average for 2005-to-date.



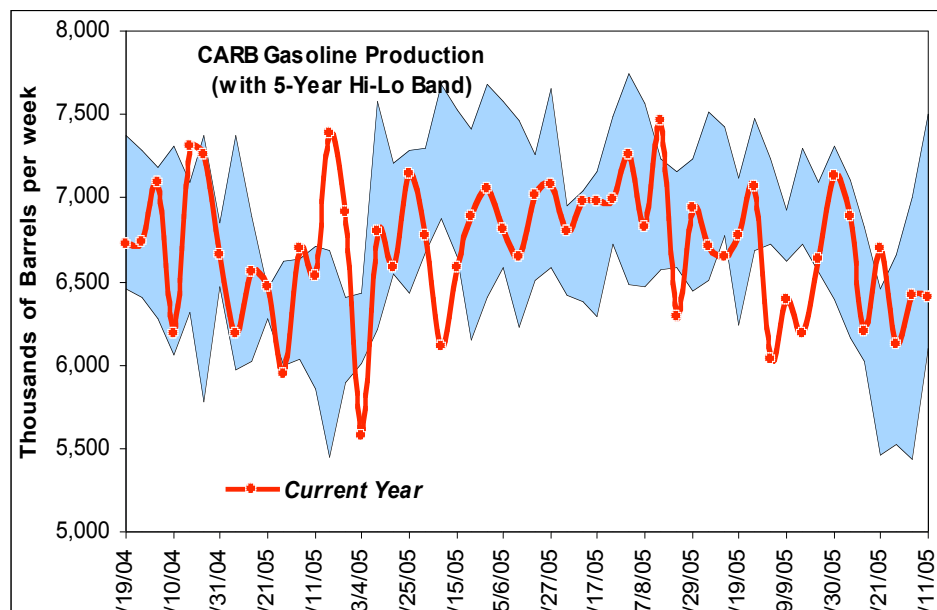
Wholesale Gasoline and Diesel Prices

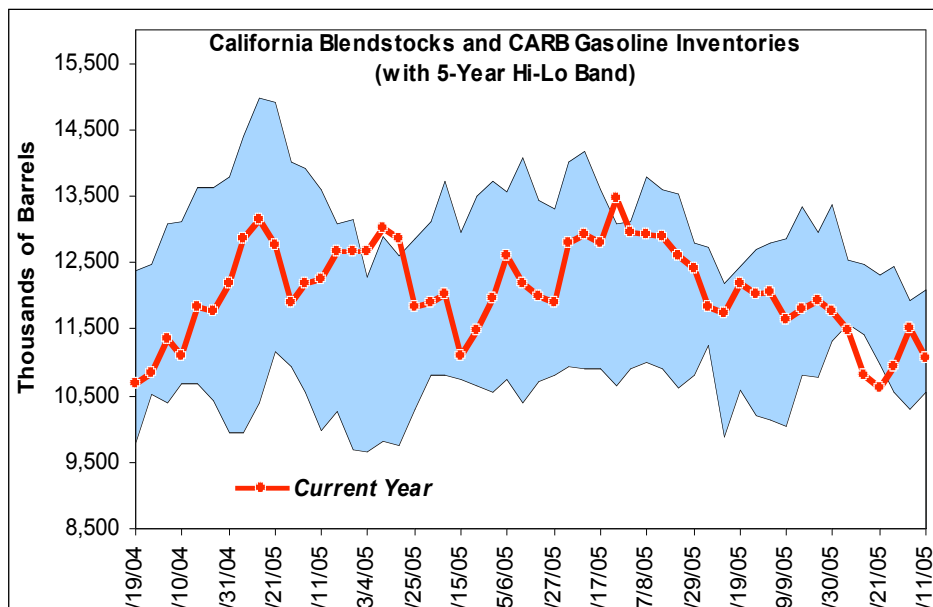
- California wholesale spot gasoline prices fell another 10 cents during the last week, to \$1.52 per gallon as of November 15. This roughly matches declines elsewhere in the U.S. and is 88 cents less than the post-Hurricane Rita high of \$2.40 on September 28. As of November 15, California spot prices were about 8 cents more than prices in the Gulf Coast, and about 9 cents more than New York Harbor.
- The average California wholesale diesel price also fell 10 cents during the last week to \$1.70 per gallon as of November 15. Diesel prices are now 68 cents less than the post-Hurricane Rita high on October 4 of \$2.38. Differences between California wholesale diesel prices and prices in the other regions have remained relatively steady at recent narrow levels, averaging about 4 cents more than the Gulf Coast and 2 cents more than New York Harbor during November. The difference between California diesel and gasoline spot prices started growing in the last week, before diesel fell back to about 18 cents higher than gasoline on November 15, the same as on November 8.
- The EIA weekly assessment for November 11 shows both U.S. gasoline and distillate demand declining from the previous week, down 1 percent and 7 percent, respectively. The latest four-week average demand for gasoline is 9.106 million barrels per day, nearly unchanged from last year. The four-week average for U.S. distillate demand is 4.12 million barrels per day, about 2 percent less than last year.

Refinery Production and Inventories

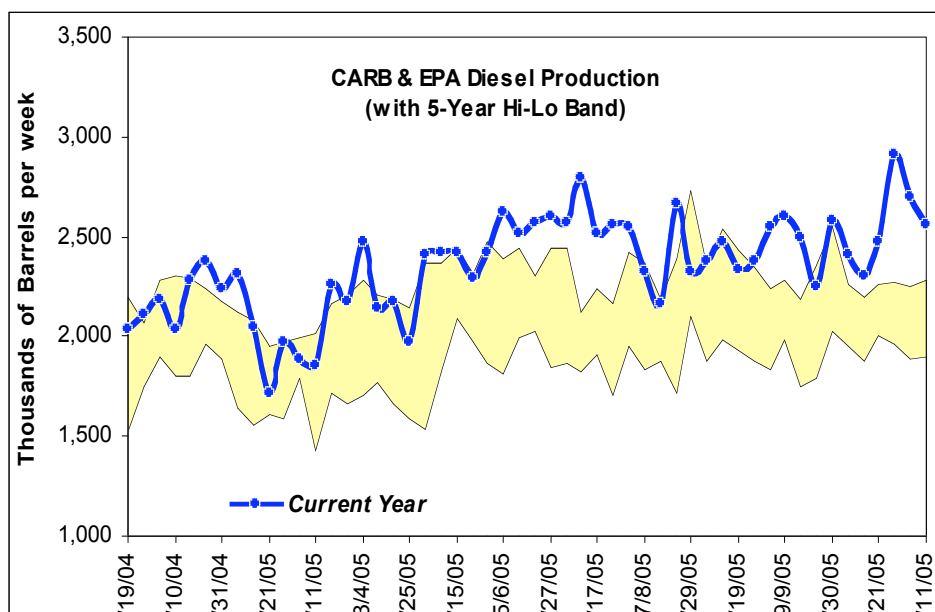
- Of the 16 Gulf Coast refineries shut down at the approach of Hurricane Rita, only 1 remained closed on November 16. Added to the 2 refineries still shut down from Hurricane Katrina, total refining capacity off-line as of November 16 was about 804,000 barrels per day, or nearly 5 percent of total U.S. capacity.

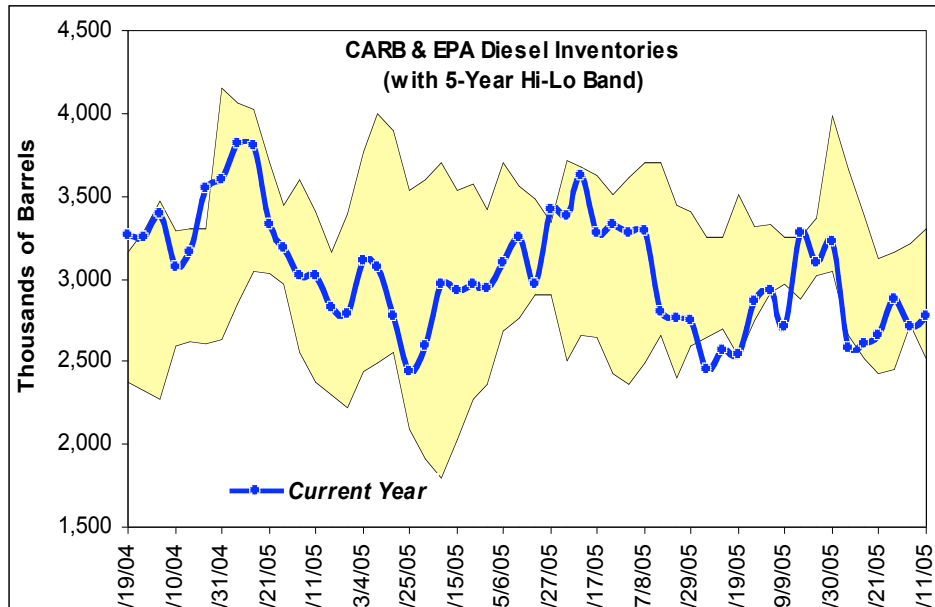
- Reformulated gasoline production in California during the week of November 11 was virtually unchanged from the previous week at 6.4 million barrels. At these levels, which reflect some relatively minor planned and unplanned refinery unit outages, production is down about 3 percent from last year, with production remaining near the middle of the five-year range.²
- California reformulated gasoline inventories dropped 9 percent from the previous week, while gasoline blendstock inventories were unchanged. As a result, combined inventories of reformulated gasoline and gasoline blendstocks dropped closer to the lower end of the five-year range, but are still 5 percent greater than last year. Despite higher U.S. domestic gasoline production, U.S. gasoline inventories fell almost a million barrels to 200.2 million barrels as of November 11, partly due to a drop in gasoline imports into the eastern U.S.





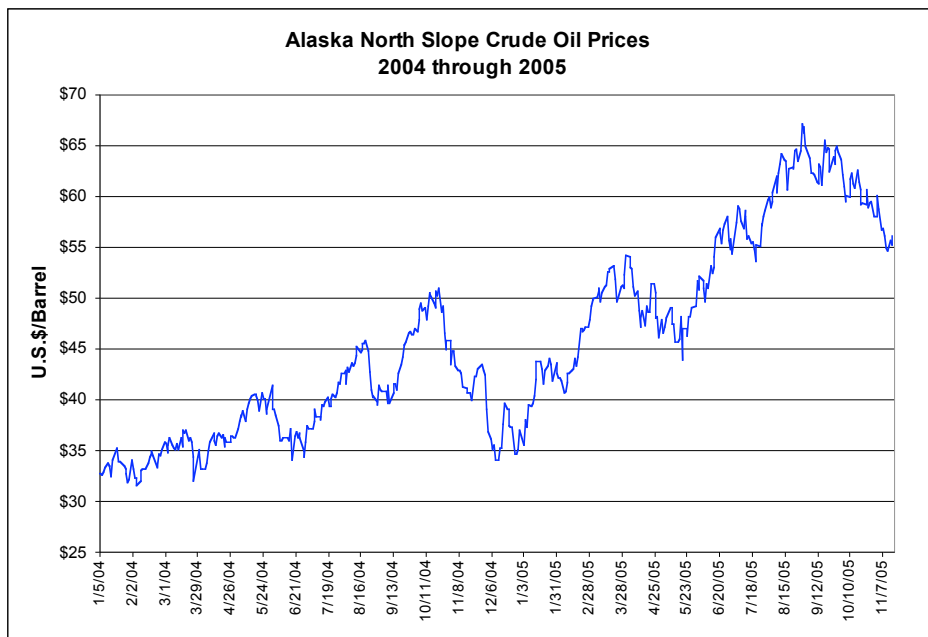
- California production of low-sulfur diesel during the week of November 11, including both California diesel and U.S. EPA diesel, declined over 5 percent from the previous week but is still 22 percent more than a year ago. The production decline dropped combined low-sulfur diesel inventories by almost 3 percent from the previous week and 16 percent less than last year. U.S. distillate inventories grew by more than 2 percent from the previous week, in part due to warm weather in the Northeast, increasing by about 2.5 million barrels to 123.4 million barrels as of November 11.





Crude Oil Prices and Inventories

- Prices on the West Coast for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, have continued settling lower during the last week, falling below \$55 per barrel for the first time since July. However, following this latest week's reported U.S. crude oil stock draw, ANS crude oil prices rose slightly, reaching \$55.98 per barrel as of November 16.³



- U.S. commercial crude oil inventories broke a string of five consecutive weekly increases, falling to 321.4 million barrels as of November 11. This is 2.2 million barrels less than the previous week, but still 29.1 million more than last year, and 28.3 million more than the five-year average. Crude oil stocks reversed their recent growth trend as refinery crude oil utilization rates in the Gulf Coast region have started recovering from the hurricanes, while crude oil imports fell sharply and oil production losses along the Gulf Coast persist.
- Although crude oil production in the Gulf Coast offshore is steadily returning to more normal levels, a substantial amount remains off-line. According to the Minerals Management Service, as of November 15, about 48 percent of U.S. Gulf of Mexico offshore oil production, or about 725,000 barrels per day, remains shut down from Hurricanes Katrina, Rita, and Wilma. More than 86 million barrels of crude oil production have cumulatively been lost to these hurricanes since late August, nearly 16 percent of annual Gulf of Mexico offshore oil production.

¹ Spot wholesale and retail gasoline and diesel prices are from the Energy Information Administration (EIA) of the U.S. Department of Energy.

² California refinery production and inventory information are from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

³ ANS crude oil prices are from the Wall Street Journal. U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.